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MEMORANDUM

TO: THE BOSTON REDEVELOPMENT AUTHORITY BOARD
FROM: STEPHEN COYLE, DIRECTOR
SUBJECT: FINAL RECOMMENDATION FOR PARCEL TO PARCEL
LINKAGE, PROJECT 1

I. Overview and Recommendation

On July 31, 1985, Mayor Raymond L. Flynn and Governor Michael Dukakis committed their administrations to fostering new and real economic opportunity for the minority communities of Boston. The historic agreement reached nearly two years ago began the Parcel to Parcel Linkage program and initiated a process to determine the appropriate scale of development for the downtown and neighborhood sites and the best qualified team to carry out the program.

On June 4, 1987, the Boston Redevelopment Authority's Board heard presentations from the final three teams seeking to be designated as the winner of the RFQ phase. Following the presentations, the Board passed a motion which asked the Director to review the record and the presentations made to the Board and to make a final recommendation on the designation. Before carrying out the assignment, I have reviewed the following materials.

- o The Boston Redevelopment Authority preliminary staff recommendation;
- o Recommendation of the Parcel 18+ Task Force;
- o Recommendation of the Chinatown/South Cove Neighborhood Council;
- o Public comment and letters received to date, and during the public comment period; which expired noon, Friday, June 12, 1987;
- o The submissions by the three finalists -- Boston Development Collaborative; Columbia Plaza Associates, and Interlink Development Group; and
- o Responses made by the teams to inquiries by the Board, which were received on Friday, June 12, 1987.

Based upon the review of the record outlined above, I recommend that the Boston Redevelopment Authority Board designate Columbia Plaza Associates as the winner of the Request for Qualifications phase of the Parcel to Parcel Linkage Project I Competition. Further to carry out this recommendation, the Board should adopt the Resolution which accompanies this memorandum.

II. Review and Recommendation Process

The Request for Qualifications set forth criteria to be applied in evaluating the submissions. These criteria, developed collaboratively by the state, city, and community review groups, are:

- o Team Composition. The extent to which teams draw from the Asian, Black, Hispanic, Native American, and other non-white communities of Roxbury and Chinatown.
- o Capacity. The demonstrated capacity to participate in projects of the magnitude contemplated for the Kingston-Bedford/Essex and Parcel 18 sites.
- o Financial Commitment. The extent to which teams command the financial resources to maintain a minimum 30 percent ownership position in the projects.
- o Program Goals. The breadth and creativity employed in responding to the values and needs of the impacted communities, and particularly the extent to which the teams meet the program objectives regarding minority equity, employment and employment training, affordable housing, urban design, community development funding, community participation, and other public benefits.

The submissions of each of the three finalist teams were sound responses to the RFQ criteria. An open, comprehensive, and deliberative review process resulted in the independent recommendations of the Chinatown/South Cove Neighborhood Council; the Parcel 18+ Task Force; and the BRA staff. These recommendations emerged after over five months of review and analysis, including four opportunities for the teams to make public presentations on their proposals, three requests for clarifying information, and numerous open community meetings.

The staff's recommendation to grant minority developer tentative designation to CPA as the RFQ winner is based on careful consideration of all analyses and recommendations submitted to the BRA. I call to the Board's attention two aspects of the record, which I believe along with other factors, clearly distinguish Columbia Plaza Associates as the team best suited to carry out the project.

o Real Estate Development Experiences

This project presents a great opportunity and a great challenge to the minority community of Boston. To be successful, it is important that the designated team have the best available experience in development. While I believe that the final three teams have substantial development capacity, on this critical variable, Columbia Plaza Associates has gathered more skill and possesses more expertise than the other two finalists.

For example, principals from the Columbia Plaza Associates team developed over 50 projects worth \$725 million, including 2 million square feet of commercial space; designed over 200 projects; developed over 5,000 residential units; and managed 3,000 residential units which are located primarily in Roxbury and Chinatown.



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Finally, Columbia Plaza Associates has brought together a team whose experience covers all of the critical aspects of complex development -- design, development, management, general contracting, and leasing. In short, although the competition produced three strong teams, Columbia Plaza Associates has the strongest team to carry out a complex real estate development. This fact gives the public sector the reasonable certainty that this complex project can be carried out successfully.

o Record of Minority Business Development

A major objective of the Parcel to Parcel Linkage program is to provide opportunities for minority businesses to participate in the wide range of economic opportunities that arise from major development projects, including architecture, legal services, engineering, accounting, construction, and personnel and hiring, to name a few. While each of the teams represent a formidable record of minority participation in development, and have MBE construction firms as partners, the MBE's affiliated with Columbia Plaza Associates have the strongest record of minority business development in Roxbury and Chinatown.

The principals of CPA include the president of New England's only black-owned commercial bank; an experienced minority-owned construction firm whose owner is president of one of the nation's oldest minority contractors associations; one of New England's largest minority-owned law firms; and the nation's largest minority-owned venture capital firm. The team's commitment to minority business development is also evidenced by the civic activities of the principals.

Columbia Plaza Associates submitted the most detailed program to ensure 30 percent MBE participation. The team's focus on business development and the creation of entrepreneurial opportunities is supported by a proposal to formulate a comprehensive business development program for Boston; this goes beyond the requirements of the program.

To a significant extent, the credibility of the process depends on whether the project engenders enterprise opportunities for minority businesses not included in the designated team. Columbia Plaza Associates has, in our judgment, the best record in this area, and on that basis, we believe they would have the best performance.

Another set of issues that are critical to the success of the project relate to the community process, the community benefits and the degree to which individual or elements of the non-designated teams can participate. In our judgment these issues are best addressed by the adoption of the "Challenge Track" approach to the program. This is discussed below.

III. Challenge Track

I am recommending that, along with designating Columbia Plaza Associates as the RFQ winner and granting Columbia Plaza Associates a minority developer tentative designation, the Board adopt the Challenge Track approach to the developer selection process. Under the initially proposed process, the minority team selected winner of the RFQ would be the

designated minority partner with a minimum 30 percent ownership in the projects; and a Request for Proposals (RFP) would then be issued to select the majority partner. The essence of the Challenge Track alternative is that the RFQ winner would be given the opportunity to be granted a full tentative designation for the combined projects if, and only if, certain agreed upon criteria were met. These criteria, subject to review by the state, city, and community review groups, include:

- o Expanding minority and community participation in the venture;
- o Developing a detailed and comprehensive community benefits plan;
- o Developing a feasible housing creation and production plan;
- o Submitting a development plan for each site that is sensitive to the neighborhoods and complies with state and city regulations; and
- o Reaching an agreement with private investors that promotes community ownership.

The important advantages of the Challenge Track alternative are the potential to increase the amount of community benefits while maintaining appropriately scaled development; and providing an opportunity for members of other teams participating in the RFQ process to become involved in the combined projects.

The Parcel 18+ Task Force and Chinatown/South Cove Neighborhood Council would play a strong role in developing criteria for community benefits and community participation under the Challenge Track process. Both organizations have endorsed this approach, and have begun to work collaboratively to structure a process for negotiations with the developers.

IV. Recommended Next Steps

In addition to designating CPA as the RFQ winner, and granting minority developer tentative designation status to the team; and adopting the Challenge Track selection process, the following steps are recommended to ensure maximum community benefits, to facilitate the development of appropriately scaled buildings on both sites, and to provide additional development opportunities through the Parcel to Parcel Linkage Program.

- o Develop an Affordable Housing Plan for Roxbury. A plan is needed to develop more affordable housing in Roxbury in anticipation of commercial development on Parcel 18. Affordable housing should be available for occupancy before the new jobs are created at the Parcel 18 development. This housing will also help to mitigate and prevent displacement resulting from development pressures on existing affordable housing. All housing development plans should be consistent with the Roxbury IPOD and reviewed by the Neighborhood Council. BRA and other public projects in the area should be evaluated for inclusion in this plan. Attention should be given to how Parcel 18 linkage can support this initiative. Priority should be given to CDCs and MBEs in this initiative.

- o Develop a Housing Plan for Chinatown. Chinatown continues to suffer from a dearth of new housing creation in the face of increasing demand. From 1980 to 1985, only 39 new and 31 renovated units were added in Chinatown, while the population over that time nearly doubled. A comprehensive plan to redress this issue is needed. I am recommending that publicly-owned land in Chinatown be targeted for housing, and that a housing plan be developed in concert with a master plan for Chinatown, under the leadership of the Neighborhood Council.
- o Accelerate the Completion of the Environmental Review Process. The environmental review process has been critical to ensuring that the projects on both the downtown and neighborhood sites, promote the quality of life in Roxbury and Chinatown, and are welcomed additions to those communities. The community groups have played a key role throughout this review by helping to establish the scope for the Draft Environmental Impact Report (DEIR). Scoping Sessions were held in each community last summer, followed by a comment period. The environmental review process has been thorough and inclusive. Swift closure of this process is recommended, since unnecessary delays will impose burdens on the projects and lead to concerns in the communities.
- o Complete Plans for Job Training and Related Services. For the Parcel to Parcel Linkage project to work as it is intended, it is necessary that the extensive work done by the Parcel 18+ Task Force and the Chinatown/South Cove Neighborhood Council on employment training, child care and other issues be brought to resolution, and appropriate policies adopted. Job training initiatives with the Mayor's Office of Jobs and Community Services should begin well before construction starts on Parcel 18. To achieve this, planning for service programs must begin in earnest this summer.
- o Expand the Parcel to Parcel Linkage Program. The quality and intensity of developers' and investors' responses to the first Parcel to Parcel Linkage project has been outstanding. The capacity and interest of many teams presents an opportunity to achieve the objectives of the program on a broader scale than originally imagined. This public, private, and community momentum should not be overlooked. I am recommending that city and state officials examine carefully the inventory of publicly-owned parcels to determine which other sites could be added to expand the program.

V. Conclusion

Tremendous progress toward achieving the goals of the Parcel to Parcel Linkage program has been made through the combined efforts of the city, the state, and the communities of Roxbury and Chinatown. The success of this historic initiative rests with the continued commitment of these participants, and the selection of the development team best suited to carry out this complex program. The recommendations set forth in this memorandum will, in our judgment, promote the successful completion of this project, and ensure the maximum benefits to the residents of Roxbury, Chinatown, and all of Boston.

An appropriate Resolution follows.

RESOLUTION OF THE BOSTON REDEVELOPMENT AUTHORITY
REGARDING THE TENTATIVE DESIGNATION
OF A MINORITY PARTNER FOR THE
PARCEL TO PARCEL LINKAGE PROGRAM, PROJECT 1,
KINGSTON-BEDFORD/PARCEL 18

WHEREAS, by Resolution of the Authority entitled "Resolution of the Boston Redevelopment Authority Regarding Disposition Policies for the Kingston-Bedford Garage, Essex Street Lot, and Parcel 18", adopted September 25, 1986, the Authority found that minorities in Boston have been underrepresented in the private development economy and that an affirmative action remedy was appropriate and proper; and further the Authority adopted the Parcel to Parcel Linkage Program, Project 1, for the disposition of certain parcels of land and instituted a process to ensure minority equity participation in Project 1.

WHEREAS, the Parcel to Parcel Linkage Program including said findings of minority underrepresentation was adopted by the City of Boston Real Property Board on October 8, 1986, by the City of Boston Public Facilities Commission, acting pursuant to a delegation from the Real Property Board, on October 9, 1986, and by the Massachusetts Bay Transportation Authority on October 15, 1986.

WHEREAS, the aforementioned Resolution authorized the issuance of a Request for Qualification for the Parcel to Parcel Linkage

Program, Project 1, with said Request for Qualifications being issued on November 7, 1986.

WHEREAS, an exhaustive review process was conducted to ascertain the most qualified respondent to the Request for Qualifications; such process including numerous and lengthy community review and participation, staff analysis, and presentations to the Board of the Authority.

WHEREAS, the Authority staff recommendation is for the Authority to recommend to the relevant city and state agencies that as a result of the Request for Qualifications competition, the minority developer tentative designation be granted to Columbia Plaza Associates, such recommendations being supported by the Parcel 18+ Task Force and numerous letters in the records of the Authority.

WHEREAS, Raymond L. Flynn, Mayor of Boston, has recommended that the Authority allow increased flexibility in the developer selection process in order to achieve the goals and objectives of the Parcel to Parcel Linkage Program, and that in so doing, the Authority adopt the so-called "Challenge Track" procedure which creates an option for the minority developer tentative designee to proceed expeditiously to full tentative designation, without the issuance of a Request for Proposals, by returning to the Authority within one hundred and twenty (120) days with a demonstration that the following criteria have been satisfied:

- Expansion of the minority and community economic participation in their venture; emphasis should be given to building strength from other teams.
- Development of a comprehensive community benefits program that would outline in detail how this project and its linkage would produce jobs, housing, child care, and other necessary community services.
- The development of a feasible housing creation and production plan; emphasis should be given to home-ownership opportunities in both communities.
- Submission of a development plan that is sensitive to both the Chinatown and Roxbury communities and consistent with state and city development regulations.
- Reaching agreement with private investors to guarantee development of this project in a way that vests controlling interest with community partners.

THEREFORE, be it resolved that the Authority hereby recommends to the City of Boston Real Property Board, the City of Boston Public Facilities Commission, and the Massachusetts Bay Transportation Authority that Columbia Plaza Associates be declared the winner of the Request for Qualifications competition and that Columbia Plaza Associates be selected as the minority developer partner in the Parcel to Parcel Linkage Program, Project 1.

THEREFORE, be it resolved that the Authority hereby amends its aforementioned Resolution of September, 25, 1986, by adopting the

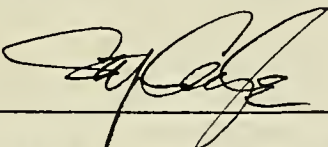
Challenge Track procedure to allow increased flexibility for the minority developer tentative designee, Columbia Plaza Associates, in achieving and accomplishing the goals and objectives of the Parcel to Parcel Linkage Program as set forth in the aforementioned Resolution of September 25, 1986, and in the report entitled "Parcel to Parcel Linkage Program: Kingston-Bedford/-Parcel 18", as such was amended by the aforementioned Request for Qualifications issued on November 7, 1986; and that the Authority hereby recommends that the City of Boston Real Property Board, the City of Boston Public Facilities Commission, and the Massachusetts Bay Transportation Authority adopt the Challenge Track procedure as an option for the minority tentative developer designee to proceed in accomplishing the goals and objectives of the Parcel to Parcel Linkage Program.

THEREFORE, be it resolved that Columbia Plaza Associates, as the minority developer tentative designee, may request within one hundred and twenty (120) days from the date the Challenge Track option has been approved by the City of Boston Real Property Board, the City of Boston Public Facilities Commission, and the Massachusetts Bay Transportation Authority, that the Authority consider recommending full tentative designation for a development team consisting of a partnership between Columbia Plaza Associates and other private parties, if such partnership demonstrates that it has satisfied the Challenge Track criteria, as set forth above, and the Parcel to Parcel Linkage Program's goals and objectives, as such have been amended by the

aforementioned Request for Qualifications and have been adopted by the Authority's Resolution of September 25, 1986.

DATE: June 18, 1987

Respectfully submitted,




Stephen Coyle, Director

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, SS.

June 18, 87 Boston

Then personally appeared before me the above-named Stephen Coyle, Director of the Boston Redevelopment Authority, who executed the foregoing instrument and acknowledged the same to be his free act and deed.



Notary Public **PAUL L. McCANN**
NOTARY PUBLIC
MY COMMISSION EXPIRES
AUGUST 3, 1990

My Commission expires August 3, 1990.

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